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January 23, 2008

Connie King
Mngr. Corporate & Employee Services
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391

CERTIFICATE OF SERVICE

RE: Case No. 2007-00558
Delta Natural Gas Company, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on January 23, 2008.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/rs
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 2007-00558
NATURAL GAS COMPANY, INC.)	

ORDER

On October 19, 2007, in Case No. 2007-00089,¹ the Commission approved rates for Delta Natural Gas Company, Inc. ("Delta") and provided for their further adjustment in accordance with Delta's Gas Cost Adjustment ("GCA") clause.

On December 28, 2007, Delta filed its proposed GCA to be effective January 28, 2008. After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Delta's Expected Gas Cost ("EGC") is \$8.3336 per Mcf, which is \$.3241 per Mcf less than the previous EGC of \$8.6577.
3. Delta's notice sets out no current quarter Refund Adjustment ("RA"). Delta's notice sets out no total RA, which is no change from the previous total RA.
4. Delta's notice sets out a current quarter Actual Adjustment ("AA") of \$.9024 per Mcf. Delta's total AA is \$1.9010 per Mcf, which is an increase of \$.6291 per Mcf from the previous total AA.

¹ Case No. 2007-00089, Application of Delta Natural Gas Company, Inc. for an Adjustment of Rates.

5. Delta's notice sets out a Balance Adjustment ("BA") of \$.2048 per Mcf, which represents an increase of \$.2032 per Mcf from the previous BA.

6. Delta's GCA is \$10.4394 per Mcf, which is \$.5082 per Mcf more than the previous GCA of \$9.9312.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Delta on and after January 28, 2008.

IT IS THEREFORE ORDERED that:

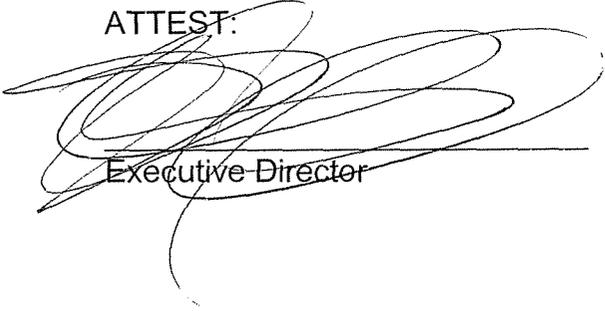
1. The rates in the Appendix to this Order are approved for final meter readings on and after January 28, 2008.

2. Within 20 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 23rd day of January, 2008.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2007-00558 DATED JANUARY 23, 2008

The following rates and charges are prescribed for the customers in the area served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers.

RATES

	<u>Base Rate</u>	plus	Gas Cost Recovery <u>Rate</u>	equals	<u>Total Rate</u>
Residential					
Monthly Service Charge	\$ 15.50				
All Ccf	\$.4158		\$1.0439		\$ 1.4597
Small Non-Residential					
Monthly Service Charge	\$ 25.00				
All Ccf	\$.4158		1.0439		\$ 1.4597
Large Non-Residential					
Monthly Service Charge	\$ 100.00				
1 - 2,000 Ccf	\$.4158		\$ 1.0439		\$ 1.4597
2001 - 10,000 Ccf	.2509		1.0439		1.2948
10,001 - 50,000 Ccf	.1713		1.0439		1.2152
50,001 - 100,000 Ccf	.1313		1.0439		1.1752
Over 100,000 Ccf	.1113		1.0439		1.1552

Interruptible

Monthly Service Charge	\$ 250.00			
1 - 10,000	Ccf	\$.16000	\$ 1.0439	\$ 1.2039
10,001 - 50,000	Ccf	\$.12000	1.0439	1.1639
50,001 - 100,000	Ccf	.08000	1.0439	1.1239
Over 100,000	Ccf	.06000	1.0439	1.1039